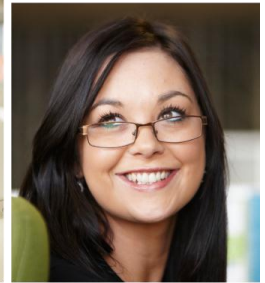


The Sage Group plc



Preliminary Results
Year ended 30 September 2011



Introduction

Guy Berruyer
Chief Executive

Financial highlights

4%

Organic[#] revenue growth

16%

Growth in underlying* EPS

111%

Cash flow: EBITA[†]

27%

EBITA[†] margin
(continuing operations)

25%

Growth in dividend

[#] Organic figures exclude the contributions of current and prior year acquisitions, disposals and non-core products and are stated after neutralisation of foreign exchange movements. They also exclude Sage Healthcare

* Stated prior to amortisation of acquired intangible assets and after neutralisation of foreign exchange movements

[†] Earnings before interest, tax and amortisation of acquired intangible assets (EBITA)

Key developments in the year

- Good commercial performance
 - Renewal rates maintained at 81%
 - 261,000 new paying customers added
- New organisation structure driving greater collaboration
- Continued progress with the web
- Disposal of Sage Healthcare

Financial Review

Paul Harrison
Chief Financial Officer

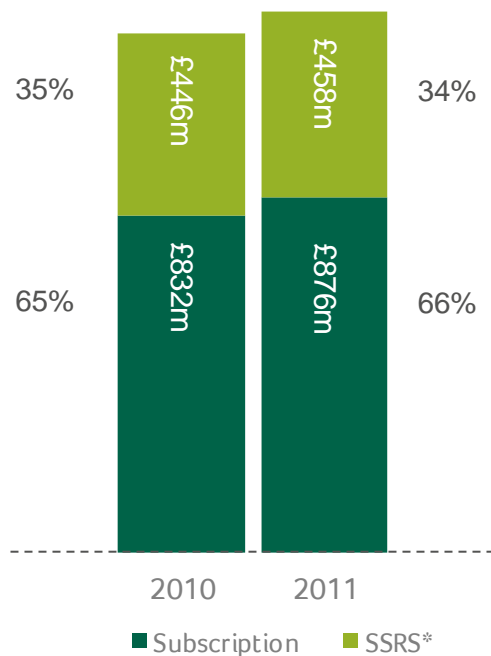
Financial overview

- Return to organic revenue growth in all regions
- EBITA margins increased, investments progressing
- Renewal rates maintained at 81%
- Continued strong cash generation at 111% of EBITA
- Proposal to rebase dividend and leverage balance sheet

Balanced revenue growth

Total
revenue

+4%



4%

Total revenue
organic growth

5%

Subscription
organic revenue
growth

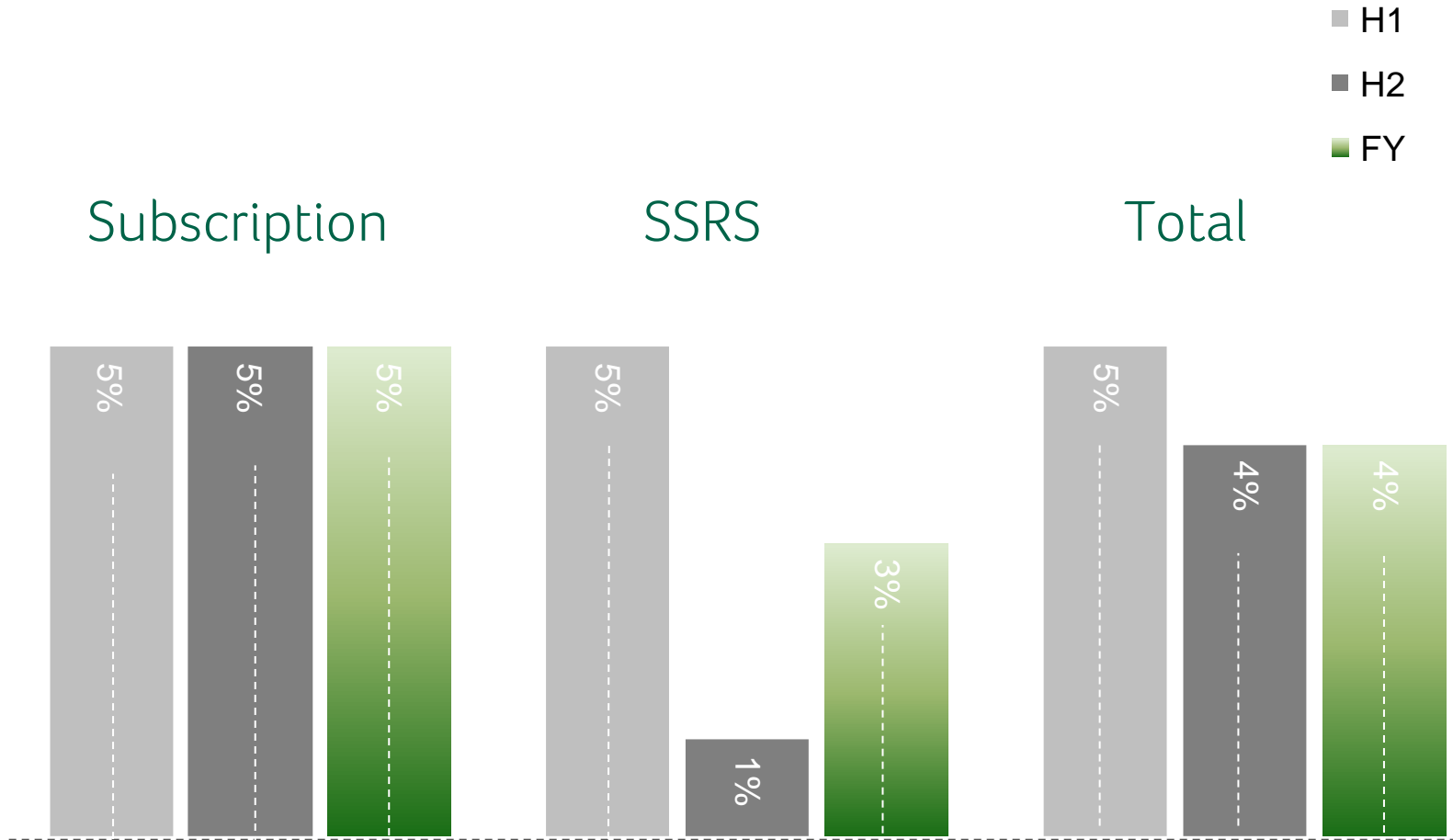
3%

SSRS* organic
revenue growth

At constant exchange rates

* Software and software-related services

Organic revenue trends

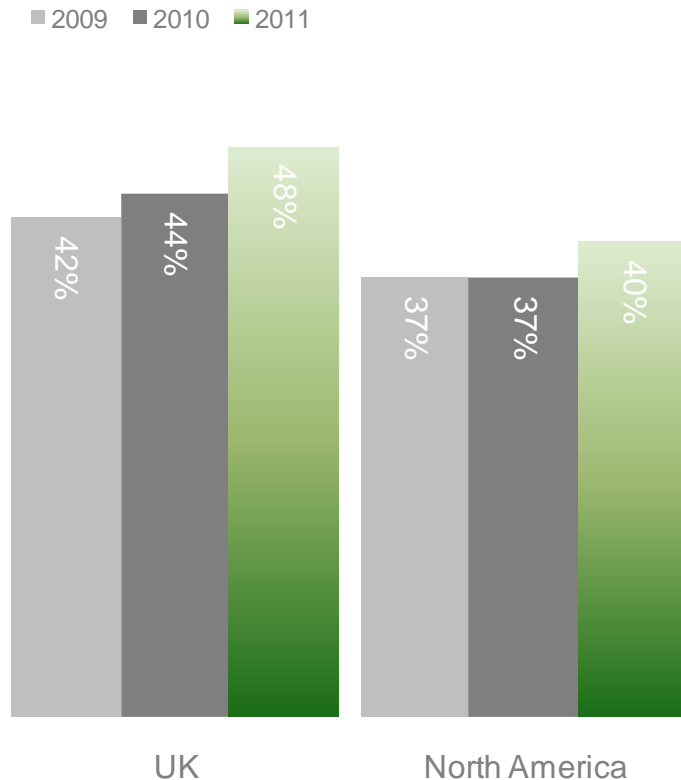


At constant exchange rates

Premium support

UK and North America driving progress

% of contracts which are premium

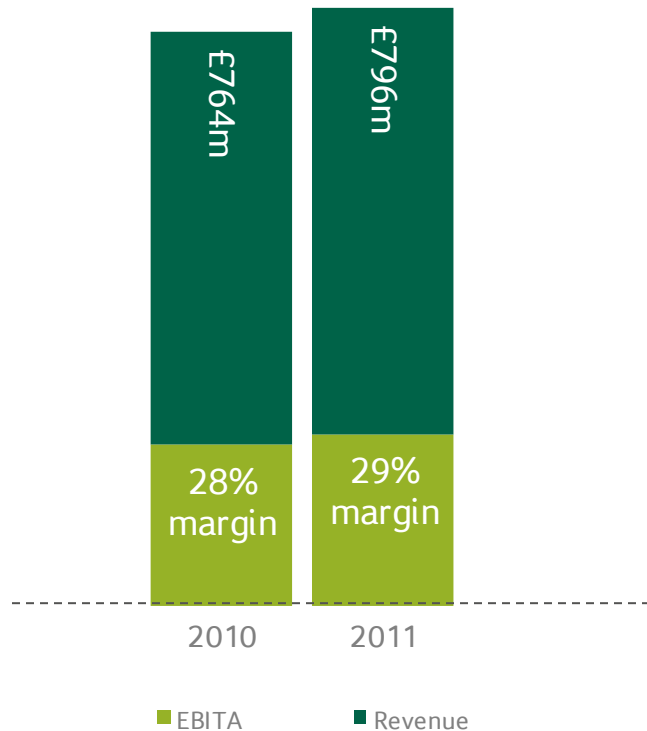


- 5% growth in subscription revenue
- Renewal rates stable at 81%
- Premium contracts organic revenue growth of 6%:
 - Increase in volumes driven by UK and North America
 - New higher levels of premium support
- Connected services provides incremental opportunity

At constant exchange rates

Europe

Good growth in 3 of our 4 largest markets

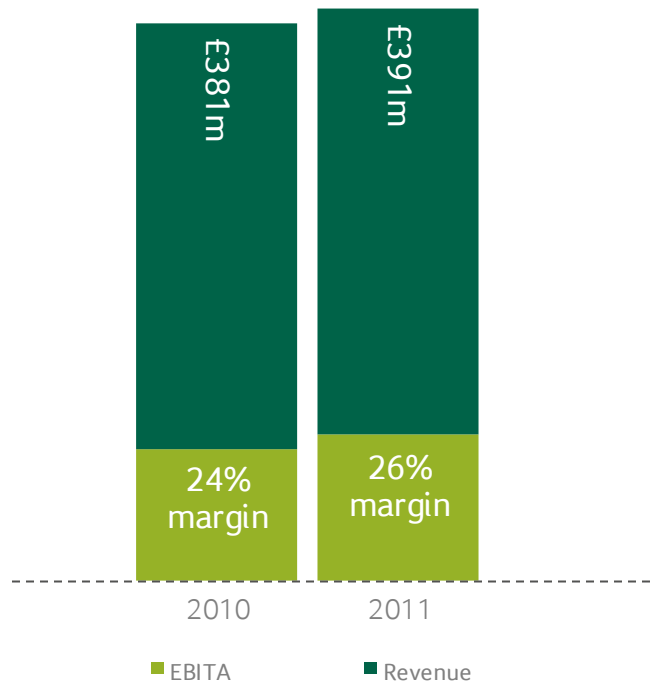


- Total and organic revenue grew 4%
 - Subscription +5%
 - Software and software-related services +3%
 - UK & Ireland grew 5% with good performance in all market segments
 - 5% growth in France with good performance in the mid-market and added stimulus from SEPA changes
 - Germany grew 5% with new releases of core products generating demand
 - Poland and Portugal performed strongly benefitting from legislative changes
 - Spanish business flat in difficult economic conditions
- EBITA margin 29% (2010: 28%)

At constant exchange rates

North America

Payments cross-sell drives growth

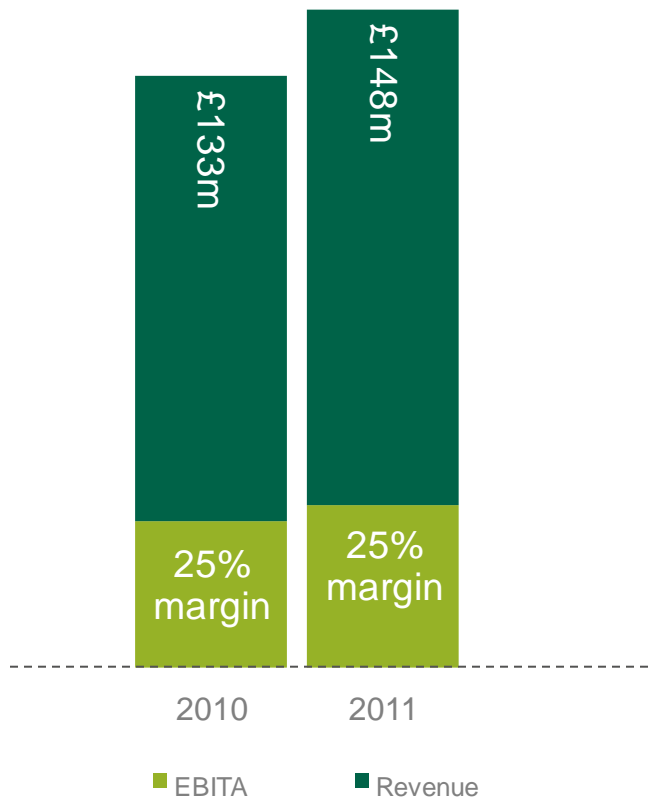


At constant exchange rates

- Total and organic revenue grew 3%
 - Subscription +4%
 - Software and software-related services -3%
 - Good performance from leading products e.g. *Simply* and *Accpac ERP* in challenging trading environment
 - Payments grew 15% with cross-sell now representing a quarter of payments revenues
 - Disposal of Sage Healthcare allows management to focus on core US customer base
 - Announcement of adoption of one Sage brand
 - Good progress in web strategy with connected service launches and strong online business solutions pipeline
- EBITA margin 26% (2010: 24%)

AAMEA

Continues to deliver double digit growth

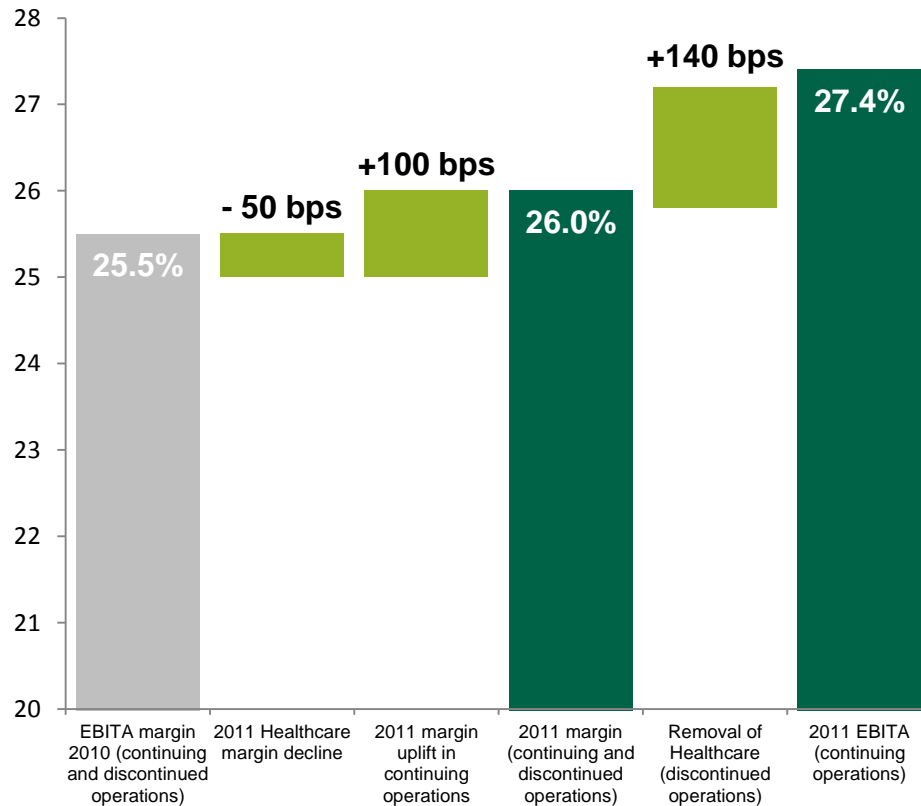


- Total revenue grew 11%, organic revenue grew 10%
 - Subscription +13%
 - Software and software-related services +6%
 - 14% growth in South Africa with good performance by core Pastel and VIP products
 - Progress made in selling into Africa with good future opportunity
 - Australia grew by 2% led by our *HandiSoft* product for tax practitioners and consultants
 - Middle East and Asian businesses grew 11%, with strong performance in Singapore and Malaysia
- EBITA margin 25% (2010: 25%)

At constant exchange rates

Margins

Growth in margin with investment in the business



- EBITA margin increase to 27.4% (2010: 26.4%)
- Areas of investment:
 - *Sage ERP X3*
 - Web-based products
 - Customer service, particularly in the UK

Disposal of Sage Healthcare

Focussing on the core

- Agreement in September to sell Sage Healthcare to Vista Equity Partners for £203.8m (\$320.0m)
- Sale completed post year end
- Share buyback programme commenced with proceeds
- Sage Healthcare reported as discontinued operations in accordance with IFRS 5

	2011	2012	Total
Sale proceeds less costs to sell	-	199.8	199.8
Net assets at disposal	-	(200.1)	(200.1)
Goodwill impairment	(121.5)	-	(121.5)
Foreign exchange gain	-	60.4	60.4
(Loss)/gain on disposal	(121.5)	60.1	(61.4)

High cash generation continues

	£m		£m		£m
EBITA	365.1	Cash flow from continuing operations	405.1	Net debt 1 October 2010	(219.8)
Depreciation/amortisation/ profit on disposal	29.3	Cash flow from discontinued operations	15.4	Free cash flow	287.0
Share-based payments	3.2	Interest	(11.1)	Acquisitions/disposals	0.6
Working capital change	(19.7)	Tax	(92.5)	Dividends	(104.0)
Deferred income change	29.9	Net capex	(29.9)	Exchange movement	(1.9)
Exchange movement/other	(2.7)			Other	13.2
Cash flow from continuing operations	405.1	Free cash flow	287.0	Net debt 30 September 2011	(24.9)
Cash: profit conversion	111%	Interest cover	27.5x	FCF Dividend cover	2.8x

M&A as an enabler of strategy

Technology

- Payments
- Web hosting and e-commerce
- Business intelligence
- Online

Existing geographies

- Fill in gaps in portfolio
- Likely to be smaller transactions

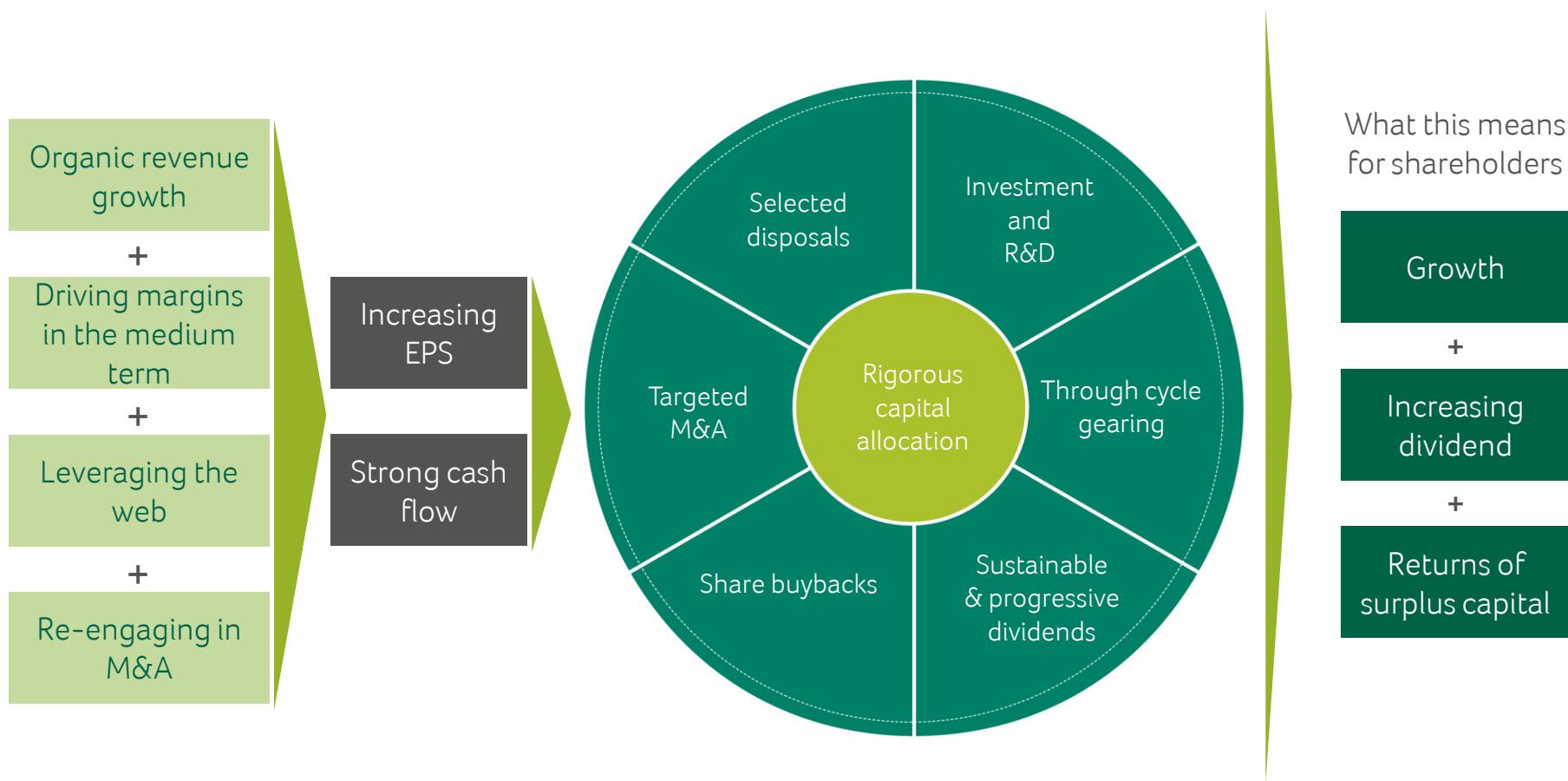
New geographies

- Achieve market leader position
- Includes emerging markets

Strong cash flow driving increased shareholder returns

- Group remains highly cash generative and well funded to 2015
- Target a minimum of 1x EBITDA within 18 months
- Achieved by a combination of returns to shareholders and targeted M&A
- Current year dividend increased by 25%, with commitment to increase broadly in line with earnings going forward
- To be complemented by buyback and other forms of shareholder returns

A compelling investment proposition



Delivering our priorities

Guy Berruyer
Chief Executive

sage

Delivering our priorities

1

Improving organic revenue growth

2

Driving margins in the medium term

3

Leveraging the web

4

Re-engaging in M&A

Selling more to existing customers

1

- 6m customer base represents two-fold opportunity
 - Increase revenue from customers with contracts
 - Up-sell to higher tier contracts
 - Cross-sell new products or services
 - Actively targeting customers without a contract
 - Re-engineering offerings to include connected services



Sage Enterprise
Webtop



Sage Fundraising
Online



PASTEL | IRONTREE
ONLINE DATA BACK-UP



Sage Payment Solutions



Attracting new customers

261,000 paying customers added in the year

Progress in micro market



Core solutions continue to resonate



Good demand for Sage ERP X3

- Total growth of 13%
- Licence growth of 30%

Strong growth in newer markets

- South Africa and Africa
- Poland
- Singapore and Malaysia

Building exposure to higher growth segments

1

Segment	Current position	Potential
Payments	US, UK, South Africa	Significant, with close link to accounting European roll-out
Online accounting and payroll	<i>Sage One</i> <i>einfachLohn</i>	Long term – new generation of businesses
Business Intelligence	Alchemex	Increasing demand from customers
Mid-market businesses with more sophisticated needs	<i>Sage ERP X3</i>	Sage is emerging player in large market
E-commerce/web hosting	Very small	Future opportunity

Driving margins in the medium term

- Increase in EBITA margin in FY11 of 100bp
- Continue to invest in business in FY12
 - The web
 - *Sage ERP X3*
 - Internal systems
 - European payments
- Medium term growth
 - Scalable business model
 - Selling more to existing customers inherently more profitable

Leveraging the web

Significant launches and strong pipeline

Segment	Progress	Priority
Online business solutions for small businesses	<i>Sage One</i> launch in the UK. <i>Sage One</i> platform for future releases	<i>Sage One</i> launch in North America
Cloud versions of key mid-market products	Previous releases performing well e.g. <i>Sage ERP Accpac Online</i>	Continued roll out across key countries e.g. <i>Sage Office Line</i> , <i>Sage ERP MAS 90</i> , <i>Sage Logic Class</i>
Connected services	Over 20 launches in the year including tax filing, employee self service	Further launches planned. Deepening integration with core products

Sage One platform

3

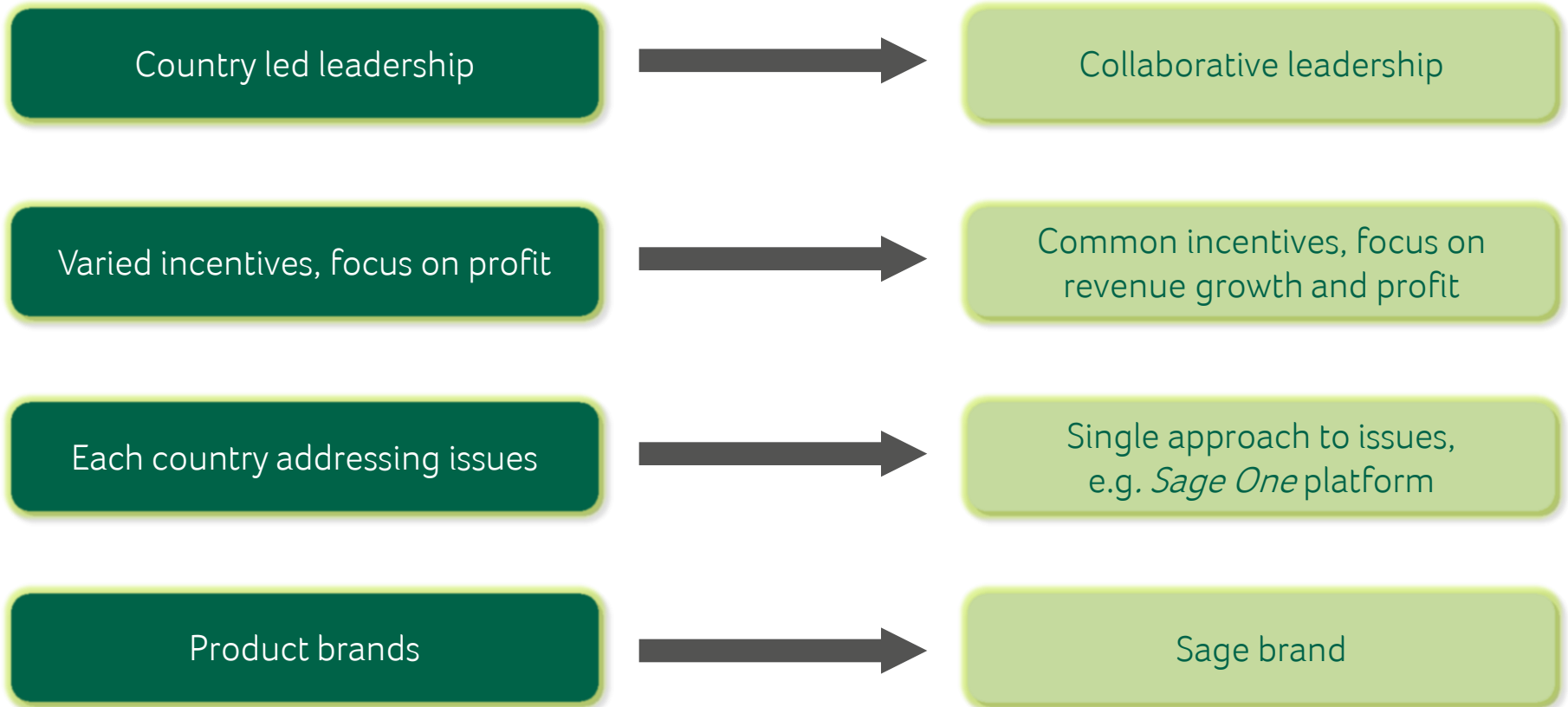
- New common development platform for small business online solutions across Sage
- Platform includes user interface, authentication and billing, but leaves flexibility for meeting local needs
- Joint development with staff from 6 separate Sage businesses
- Will apply to accounting, payroll and other functional areas

Re-engaging in M&A



- Acquired in October 2011
- Business Intelligence for SMEs, with flexible reporting and analytics capabilities including dashboards and real-time data
- Embedded into products in AAMEA
- Integrating into key North America products

Driving a collaborative organisation



Summary

- Good results demonstrating strength of business model
- Uncertain economies; managing our business prudently
- Remain confident about long term prospects
- Re-positioning Sage for the next stage of its evolution
- Aim to increase organic revenue growth, with additional shareholder returns

Supplementary information

Segmental analysis

Year ended 30 September 2011	Europe	North America	AAMEA	Group
Subscription revenue	£500.9m	£299.7m	£75.9m	£876.5m
SSRS revenue	£294.8m	£91.2m	£71.6m	£457.6m
Total revenue	£795.7m	£390.9m	£147.5m	£1,334.1m
Organic revenue growth	+4%	+3%	+10%	+4%

EBITA	£229.1m	£99.7m	£36.3m	£365.1m
EBITA margin	29%	26%	25%	27%

New support contracts	58,000	11,000*	12,000	81,000
Total support contracts	1,102,000	568,000*	197,000	1,867,000

* Excludes ACT! contracts

H1 FY11 revenue analysis

Restated to exclude Sage Healthcare

	Subscription		SSRS		Total revenue	
	Revenue £m	Organic growth %	Revenue £m	Organic growth %	Revenue £m	Organic growth %
Europe	247.8	5%	157.6	5%	405.4	5%
North America	149.7	4%	46.9	2%	196.6	4%
AAMEA	36.6	15%	33.5	5%	70.1	10%
Group	434.1	5%	238.0	5%	672.1	5%

H1 excludes Sage Healthcare which is treated as a discontinued operation in the full year results
Figures restated to year end 2011 exchange rates